



As reprinted from 11/07/2007

Sedona's portfolio shows steady rise

The city of Sedona's investments with the state of Arizona stayed well ahead of inflation during the last year, according to Arizona State Treasurer Dean Martin.

The city earned between 4.7 and 5.3 percent on its money with the state during Fiscal Year 2006-07, Martin reported.

Sedona invests about \$30 million in more than 20 accounts managed by the Treasurer's Office, all considered very safe with returns that reflect the low-risk nature of the investment, according to city records.

Martin stopped by City Hall on Oct. 26 to show John Endicott, Sedona's financial services director, how well the city's investments performed last year.

"It's comforting to know someone like him is managing things," Endicott said.

In total, the city's investment portfolio, which includes accounts invested privately as well as accounts earned about \$800,000 last year, money that goes to city projects and reduces the need for increased taxes, Endicott said.

Even better news arrived for Arizona schools, Martin said.

Thanks to money management policies at the Treasurer's Office, state education will receive more than \$69 million from the Arizona Education Endowment fund this year, a 114-percent increase over the previous year, Martin reported.

That means every classroom in the state gets \$1,430 to spend on class-size reduction, teacher pay raises, teacher training, standardized test assistance and drop-out reduction programs, he said.

Not less than 20 percent of the money must go to teacher pay raises, but schools get to decide how the money is spent otherwise, Martin said.

Much of the money was distributed in August, but more distributions will follow throughout the next school year, he said.

The Education Endowment Fund receives money from trust land sales that the Treasurer's Office invests in "very safe" stocks, bonds and indexed funds, Martin said. Thanks to the endowment, the state provides more money for education without raising taxes.

Schools desperately need the money, he said.

Sedona's increases reflect a general trend on state investments recorded since Martin's election in November 2006.

In addition to upgrading computer software and hardware in the Treasurer's Office, Martin said he follows a new investment philosophy. The philosophy places "safety before liquidity" and "liquidity before yield."

That means investments managed by the state are less likely to lose money in favor of lower, reliable returns, he said.

One of two state investment pools that Sedona contributes to enjoyed a return on investment greater than the return recorded by three month Treasury bills and the Standard & Poor LGIP Index, he said.

Greg Ruland, Larson newspapers